

Tuesday, January 28, 2003

General Services Administration
Federal Supply Service (SBE16-1)
GSA Hardware SuperStore
Attention: Elaine L. Rasmussen (D8)
1500 East Bannister Road
Kansas City, Missouri 64131

Re: 6FEC-E6-970173-R7

Dear Ms. Rasmussen:

I verify all data provided under the Commercial Sales Practices portion of my offer and related information furnished to GSA during the course of negotiations under Solicitation No. 6FES-E6-970173-R7 is accurate, complete and current. I agree my firm's most favored customer (MFC) has been determined to be our "National Accounts" who receive a basic discount of 0%, quantity/volume discounts of 0%, prompt payment discount terms of 0%, and delivery terms of F.O.B.

To obtain this discount Terminix' MFC must purchase a minimum of \$35,000. Should its MFC not obtain the required \$35,000 the following actions are taken: The MFC no longer receives Terminix' most favorable pricing and is no longer serviced through the National Accounts department. Instead it is serviced by one of the Terminix Branch offices and receives standard Branch-level customer pricing.

Respectfully submitted,

TERMINIX INTERNATIONAL COMPANY, L.P.

(b) (6)

Brian Alexson
Vice President, Sales and Service
And Authorized Negotiator

Cc: Steve Good (w/ attachments)
Kevin Richardson (w/ attachments)
David Poisson (w/ attachments)



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<u>Element</u>	<u>Offered Government</u>	<u>Granted MFC</u>
1. Basic Discount terms or an explanation on pricing	Pricing is less than our National Account Pricing	National Account pricing
2. Quantity/Volume Discount terms (Be specific)	Pricing is less than our National Account pricing	National Account pricing
3. F.O.B. shipping terms	Destination with the exception of deliveries to Alaska, Hawaii and Puerto Rico	Destination with the exception of deliveries to Alaska, Hawaii and Puerto Rico
4. Prompt payment terms	0%, net 30 Days	0%, Net 30 Days
5. Standard delivery terms	48 Hours	72 Hours
6. Emergency delivery terms	12 Hours	24 Hours
7. Warranty terms	90 Days	90 Days
8. Aggregate sales/Rebate discounts (Specify terms and conditions)	N/A	N/A
9. Minimum Order. BE SPECIFIC. If one unit or if this varies contingent upon product, so state.)	\$100	\$35,000

10. Any other terms offered to the Government but not offered to your Most Favored Customer (MFC) and/or the category of customer, which these negotiations have been based upon.

Pricing of \$6.25 per linear foot for termite baiting in facilities where Terminix is either the incumbent pest control contractor or is contemporaneously awarded the pest control contract.

11. A description of the catalog/price list upon which your offer is based. Be sure to include the dates and titles of all the price lists. Verify these are your commercial price lists and the only price lists from which you sell.

Enclosed with original proposal.

12. A list of all documents (fax's letters, etc.) which were sent in after proposal submission which now have become a part of your offer, e.g. bid extension letter, and other letters you have submitted to this office.

See letter from Brian Alexson to Elaine Rasmussen dated December 16, 2002; see also letter from Brian Alexson to Elaine Rasmussen dated January 14, 2003.

13. Provide a statement as to whom your MFC is and a statement that this offer exceeds, equals, or is less than the terms offered to that of MFC.

Terminix' MFC is its National Accounts. The pricing that Terminix has provided to GSA is less than that of its National Account Customers.



Verify your firm understands should your firm deviate from the established pricing policies disclosed in this offer and/or disturb the relationship established during these negotiations between the Government, your MFC, and the category of customer negotiations have been based upon, the terms of Clause 552.238-76, Price Reduction, may be applicable.

Terminix understands.

14. Verify discounts offered to the Government are exclusive of the 1% Industrial Funding Fee (IFF). Also provide a statement to confirm your understanding of the requirements to report all resultant contract sales on a quarterly basis and remit the industrial funding fee in accordance with Clauses 552.238-74, Contractor's Report of Sales and 552.238-76, Industrial Funding Fee.

Discounts are exclusive of IFF. Terminix recognizes its obligation to comply fully with clauses 552.238-74 and 552.238-76.

15. Verify your firm agrees to accept the Government purchase card in accordance with the requirements of Clause 552.232-77.

Terminix agrees.

16. Identify all items, which currently have a National Stock Number (NSN) assigned and are part number specific to your firm.

N/A

17. Verify your firm has complied with all Veteran Employment Reporting Requirements.

Terminix has complied with all Veteran Employment Reporting requirements.

18. Identify how your firm plans to market your products to the Federal government under the resultant contract. Who is your target audience? What is the primary focus or plan for initially announcing your award? Has your firm developed a Business Plan to address these issues? If so, please provide a copy of the plan. If not, why not? Be specific.

Terminix will focus initially on expanding opportunities in its current Federal customer base, especially military installations. It will also pursue opportunities in Veterans Affairs, leveraging its pest management expertise in hospital facilities. Finally, it will dovetail its marketing efforts with those of its sister company, TruGreen, to offer its pest control services to customers where TruGreen is currently the grounds maintenance contractor of record.

Terminix has not developed a business plan tailored specifically to the Federal market. However, in the section of its offer labeled "Corporate Background," Terminix has provided an exhaustive description of its service specifications in a number of different environments. Terminix management has had under way for some time a review of those opportunities in the Federal sector that will permit the company to bring its unique capabilities to bear in as many of these environments in the Federal Government as it can identify.

I verify all data provided under the Commercial Sales Practices portion of my offer and related information furnished to GSA during the course of negotiations under Solicitation No. 6FES-E6-970173-R7, 51 V, Hardware SuperStore for FSC Group _____, is accurate, complete and current. I agree my firm's most favored customer (MFC) has been determined to be our "National Accounts" who receive a basic discounts of 0%, quantity/volume discounts of 0%, prompt payment discount terms of 0% and delivery terms of F.O.B. . To obtain this discount my MFC must purchase a minimum of \$35,000-- [show specific terms].

Should MFC not obtain the required \$35,000 the following actions are taken: The MFC would no longer receive Terminix' most favorable pricing, they would no longer be serviced through the National Accounts Department it would be serviced by the local Branch offices and they would receive the standard Branch level customer pricing.

TERMINIX

Company Name

1/28/03

Date

(b) (6)

Signature of Company Official

Vice President, Sales
and Service and Authorized Negotiator
Title



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